

## Message Text

UNCLASSIFIED

PAGE 01 NEW DE 00148 031408Z

53

ACTION EB-07

INFO OCT-01 NEA-09 ISO-00 AGR-10 CEA-01 CIAE-00 COME-00

DODE-00 FRB-01 H-02 INR-07 INT-05 L-02 LAB-04 NSAE-00

NSC-05 PA-02 RSC-01 AID-05 CIEP-02 SS-15 STR-04

TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00 OMB-01

/103 W

----- 051759

R 031305Z JAN 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 6087

UNCLAS NEW DELHI 0148

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR IN

SUBJECT: SUGAR EXPORT AVAILABILITY FROM INDIA DURING 1975.

REF: STATE 279327

1. EMBASSY OFFICIALS MET SEPARATELY WITH OFFICIALS OF THE GOI'S DEPARTMENT OF FOOD, THE STATE TRADING CORPORATION AND THE INDIAN SUGAR INDUSTRY EXPORT CORPORATION TO DETERMINE THE QUANTITY OF SUGAR THAT INDIA PLANS TO SHIP TO THE U.S. MARKET DURING THE FIRST NINE MONTHS OF 1975. THE LATTER TWO AGENCIES ARE ENTRUSTED WITH THE RESPONSIBILITY OF HANDLING SUGAR EXPORTS FROM INDIA.

2. INDIAN OFFICIALS EXPECT THAT ON BASIS OF EARLY SEASON INDICATIONS TOTAL FACTORY SUGAR PRODUCTION DURING 1974-75 WILL BE ABOUT THE SAME AS IN 1973-74 VIZ. 3.96 MILLION METRIC TONS.

3. TOTAL SUGAR EXPORT AVAILABILITY DURING 1975 IS ALSO EXPECTED BY INDIAN OFFICIALS TO BE AT ABOUT THE 1974 LEVEL OF APPROXIMATELY 500,000 METRIC TONS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NEW DE 00148 031408Z

4. GOI OFFICIALS INFORMED AGRICULTURAL ATTACHE THAT EXPORT COMMITMENTS FOR 1975 AMOUNTING TO BETWEEN 300 TO 350,000 TONS OF SUGAR TO VARIOUS DESTINATIONS OTHER THAN USA HAVE ALREADY BEEN MADE. THESE INCLUDE THE EXPORT OF ABOUT 200,000 TONS TO IRAN UNDER A CONTRACT FOR 500,000 TONS OVER A PERIOD OF 2 1/2 YEARS COMMENCING WITH THE 1974-75 SUGAR SEASON (OCTOBER 1 THROUGH SEPTEMBER 30).

5. THERE SHOULD THUS STILL BE 150,000 TO 200,000 TONS OF SUGAR AVAILABLE FOR EXPORT DURING THE FIRST NINE MONTHS OF CY 1975 TO VARIOUS DESTINATIONS INCLUDING THE USA, FOR WHICH NO COMMITMENTS HAVE YET BEEN MADE.

6. INDIAN OFFICIALS ARE AWARE OF THE POSSIBILITY THAT EXPORT PERFORMANCE MAY PLAY AN IMPORTANT ROLE IN THE ALLOCATION OF COUNTRY QUOTAS IF THE US SHOULD DECIDE TO RETURN TO A COUNTRY QUOTA SYSTEM IN THE FUTURE. THEY WOULD LIKE TO MAINTAIN EXPORTS TO THE US IN 1975 AT ABOUT THE LEVELS OF RECENT YEARS OR POSSIBLY, SLIGHTLY HIGHER. HOWEVER, THEY WOULD PREFER TO EXPORT SUGAR IN WHITE CRYSTALLINE FORM RATHER THAN RAW SUGAR BECAUSE OF THE PRICE ADVANTAGE OF APPROXIMATELY DOLS 93 TO DOLS 116 PER TON WHICH THE FORMER ENJOYS OVER THE LATTER IN INTERNATIONAL MARKET.

7. INDIAN OFFICIALS WOULD LIKE TO KNOW IF THE US WILL NOW ACCEPT THE IMPORT OF INDIAN WHITE CRYSTALLINE SUGAR FOR DIRECT CONSUMPTION UNDER THE NEW POLICY WHICH HAS REMOVED RESTRICTIONS ON IMPORTS OF REFINED SUGAR INTO THE U.S.(AS STATED IN REFTTEL) AND HAVE ASKED US TO ASCERTAIN FROM WASHINGTON WHETHER OR NOT INDIAN WHITE CRYSTALLINE SUGAR WOULD BE ACCEPTED WITHOUT RE-REFINING IN THE U.S.

8. IF THE IMPORT BY THE U.S. OF INDIAN WHITE CRYSTALLINE IS STILL PROHIBITIVE ECONOMICALLY OR OTHERWISE THE COMPELLING, IMMEDIATE NEED FOR FOREIGN EXCHANGE MAY OVER-RIDE THE DESIRE TO PRESERVE THE US MARKET AND CAUSE DIVERSION OF INDIAN SUGAR EXPORTS TO COUNTRIES WHICH WILL PURCHASE THE HIGHER PRICED WHITE CRYSTALLINE, I.E. D-30 OR E-30, THE FINEST GRAIN AND WHITEST CANE SUGAR PROCESSED IN INDIA.

9. ACTION REQUESTED - WE WOULD LIKE TO RESPOND TO THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 NEW DE 00148 031408Z

QUESTION RAISED IN PARA 7 AND WOULD APPRECIATE YOUR PROVISION OF AN ANSWER. IF INDIAN SUGAR MUST BE RE-REFINED FOR US CONSUMPTION, THEN OBVIOUSLY INDIA COULD ONLY PROVIDE RAW SUGAR UNLESS US IMPORTERS ARE WILLING TO PAY THE HIGHER PRICE COMMANDED BY WHITE CRYSTALLINE. IF THEY ARE NOT, THE POINT RAISED IN PARAGRAPH 8 MAY THEN PREVAIL.MOYNIHAN

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, EXPORT QUOTAS, EXPORT DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975NEWDE00148  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750003-0562  
**From:** NEW DELHI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750179/aaaacrj.tel  
**Line Count:** 113  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 279327  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 FEB 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 FEB 2003 by daviscw>; APPROVED <11 FEB 2004 by KelleyW0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SUGAR EXPORT AVAILABILITY FROM INDIA DURING 1975.  
**TAGS:** EAGR, IN  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006